

July 26, 2006

Daniel M. Mathis, P.E.  
Division Administrator  
Federal Highway Administration  
71 1 South Capitol Way, Suite 501  
Olympia, WA 98501-1 284

Dear Mr. Mathis:

Enclosed is the Washington State Department of Transportation's (WSDOT) Proposed Disadvantaged Business Enterprise (DBE) goal and methodology for Federal Fiscal Year (FFY) 2007. The Department proposes for Federal Fiscal Year 2007, an overall DBE goal of 18.77%, with 4.07% to be accomplished using race-neutral means and 14.70 % using race-conscious means. While the statistical disparities established by the Availability Study could serve as the basis for an upward adjustment of the base figure, WSDOT believes that the unadjusted Step 1 base figure represents the best estimate of the relative availability of DBEs for FFY 2007, as required by 49 CFR §25.45(b).

WSDOT has reviewed the Availability Study, anecdotal evidence of business owners' experiences in WSDOT's transportation construction market, business owners' comments from the public meetings, and WSDOT's race-neutral utilization since the cessation of contract goals, and finds there is sufficient evidence of significant discrimination against all racial and ethnic minorities and white women in WSDOT's market, such that the use of contract goals is necessary to achieve the overall DBE goal. Our analysis and conclusions are explained in the enclosed documents.

WSDOT would appreciate FHWA's review of our DBE submittal as a priority, with the expectation of receiving your comments before October 1, 2006. This will allow WSDOT to implement the DBE goal setting by the start of the FFY 2007.

Your favorable consideration would be greatly appreciated. If you have any questions and/or concerns regarding this submittal, please feel free to contact Brenda Nambi, Director, Office of Equal Opportunity, at (360) 705-7090.

Sincerely,

Douglas B. MacDonald  
Secretary of Transportation  
DBM: bn  
Enclosure